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An association for persons or organizations with an interest in or that provide support for persons who have mental illness, developmental delay or substance use disorder, and who are licensed by or funded by the Department of Behavioral Health and Developmental Services.

Virginia Network of Private Providers, Inc.

Building Meaningful Lives for Extraordinary People

<http://vnppinc.org>

The private sector continues to provide the vast majority of the residential and day services in the community; we are

- service providers,
- employers,
- business owners,
- advocates, and
- care coordinators for most aspects of the individual's health and daily welfare.

I want to make two points today:

- ⇒ the resources for community services for persons with ID/DD are inadequate
- ⇒ the administration's proposals do not provide long term solutions

Resources:

The funding for the waiver services (in a fee-for-services model) essentially caps our costs:

- if revenue is controlled by the number of hours that can be billed, the cost may not be greater than the revenue or the business will fail
- 80% of the cost is payroll
- Waiver rates directly control the wages we can pay

If we are going to meet or exceed the expected standards, and provide the levels of care expected by all, we will have to have a reimbursement rate that allows higher wages, more qualified staff, additional staff for special needs, and a bit of a cushion to give us room to grow.

Northern Virginia is a unique set of circumstances – the costs are higher and the rate differential is insufficient (perhaps by as much as 50%); to offset the shortfall, the CSBs have provided supplemental funding. The CSB support is not as robust as it once was and can not continue indefinitely.

The spotlight is on Northern Virginia because of the NVTC planned closure, but we can not allow that to narrow our focus!

804 Moorefield Park Drive, #201
Richmond, Virginia 23236
804-560-4640
vnpp@earthlink.net

Short Term Solutions:

- ⇒ **Exceptional Rate** is not a solution – it is too little for too few to be effective in the bigger scheme of things
- ⇒ **Bridge Funding** – The monies allocated from “carry-over” are fine and definitely should be spent; we object to the term “bridge” because it implies that there will be something solid at the other end.
 - The Waiver Reform study has, to date, produced a list of recommendations. The second phase of the study will produce a recommendation for a rate structure. Neither of those documents will produce any additional funding.
 - Only you can provide the resources needed.
 - There are options for providing extra funding for providers who are willing to take on the “hard-to-place” from the Training Centers. Using one time funding to provide the extra staff and support is a very risky proposition.

Solutions:

- ⇒ Raise the base and the differential – Senator Howell has an amendment to raise the base by 10% and the NoVA differential by an additional 5%.
- ⇒ Utilize the funds available to be carried over to build a capacity fund to use for one-time expenses not funded by Medicaid. Add any unused “start-up” or other one-time money which can be carried over to the fund in future years – Senator Howell has an amendment to create this fund with monies in the introduced budget and others have requested “start-up” funding.
- ⇒ Look very closely at the impact of the Waiver reform recommendations and those still to come on the rate structure to assess the impact on the many interrelated parts of the system. Final review of all recommendations must include the provider associations, advocacy and other stakeholder groups.

Thank you!